

# Climate Action at the World Bank

Global Knowledge Forum 2023

21 May 2023, Bilbao, Spain



# Goals of Session

---

- World Bank Group to Climate Action
- Evolution Roadmap
- PMIF – Carbon Pricing & Markets
- Introduction to CSF and SCALE



# Climate Action at the WBG – Approach in Light of Context

---

- Reversal in development outcomes
- Fiscal constraints; debt sustainability challenges; ultra low interest rates no more
- Urgent need for action on climate - \$2.4 trillion
- Client Demand
- Shareholder expectations – more to GPG > Evolution Roadmap



# WBG Climate Change Action Plan



## Pillars

1. Integrating climate and development
2. Advancing the five key system transitions (energy; agriculture, food, water, and land; cities; transport; manufacturing)
3. Financing to support the key transitions

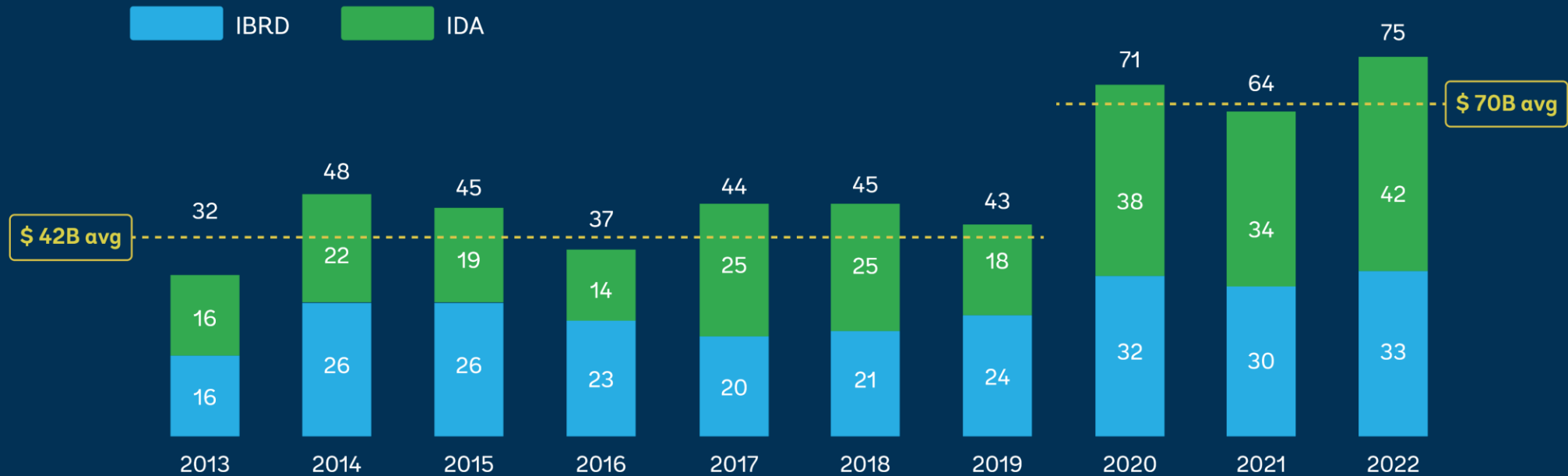


## Commitments

- Climate Finance targets
- Paris Alignment
- Climate Analytics & Diagnostics

# Impact – Finance

## IBRD AND IDA COMMITMENTS 2013 - 2022 (\$ BILLION)



Note: Calendar year data; Numbers may not sum due to rounding

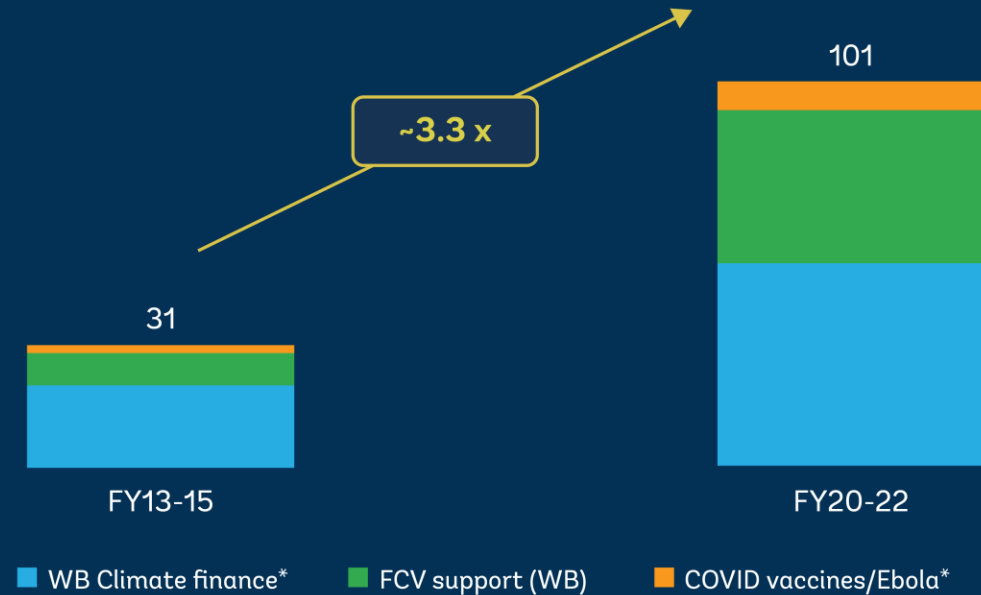


WORLD BANK GROUP



# Impact – GPG Finance

**GPG FINANCING HAS MORE THAN TRIPLED OVER THE LAST DECADE**  
WORLD BANK SUPPORT FOR SELECT GPGS (\$ BILLIONS)



FCV: Fragility, Conflict and Violence

Note: Nets off overlapping support in FCV financing, COVID financing, Ebola response and climate financing

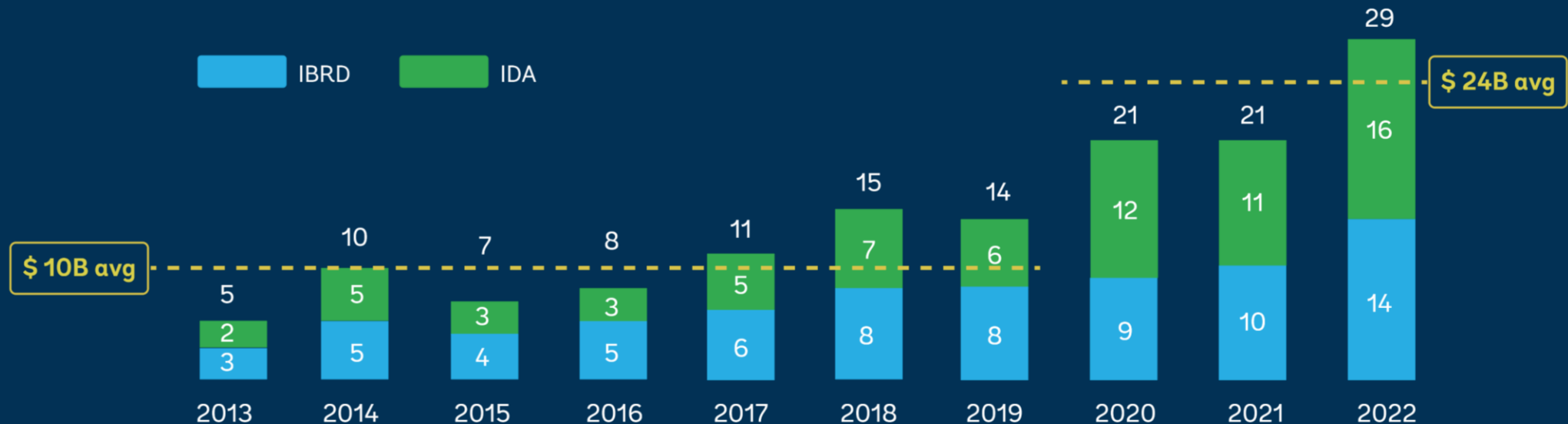


WORLD BANK GROUP



# Impact – Climate Finance

## IBRD AND IDA CLIMATE FINANCING 2013-2022 (\$ BILLION)



Note: Calendar year data; Numbers may not sum due to rounding



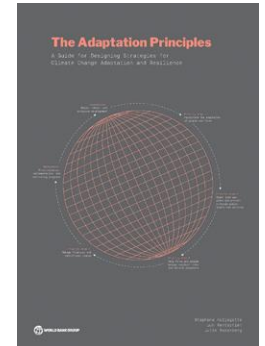
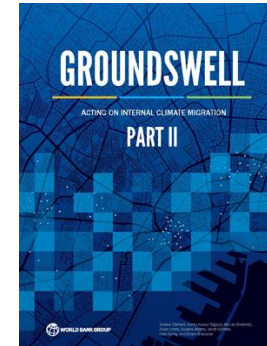
WORLD BANK GROUP



# Climate Analytics & Knowledge

## Frontier thinking on mitigation and adaptation

- Groundswell: Acting on Internal Climate Migration
- Lifelines: The Resilient Infrastructure Opportunity
- The Adaptation Principles



- **FY22-25**  
Total = **66** CCDRs, covering  
**92** countries

## CCAP





# Paris Alignment

---

**100% of World Bank financing flows aligned with the goals of the Paris Agreement by July 1, 2023**



WORLD BANK GROUP



PMIF  
PARTNERSHIP FOR MARKET  
IMPLEMENTATION FACILITY

# Evolution Roadmap

---

**Mission  
Statement**

**Operating  
Model**

**Financing  
Model**

Coordination and collaboration with partners



**WORLD BANK GROUP**  
Climate Change



# Climate - Priorities Moving Forward



Climate in Evolution  
Roadmap



Continued development and  
operationalization of CCDRs



New outcome  
focused metrics and  
climate indicators

# Climate Change Group



# Supporting Domestic Carbon Pricing and Carbon Markets



## Analytics & Diagnostics

Research and analytics to inform climate policies, national development strategies, and contribute to a more integrated climate and development agenda.



## Innovation

Designing, piloting and prototyping innovative **climate and carbon finance instruments**, methods and approaches for developing resilient and low-carbon projects.



## Advice & Capacity Building

Supporting clients to design **carbon pricing policies and strategies to access carbon markets**.



## Thought Leadership & Partnerships

Global platforms for knowledge exchange and learning; **flagship reports; Innovate4Climate conference, climate data and dashboards.**

# Climate Change Group





Thank you

# Evolution of the WBG

---

- Unprecedented confluence of global crises that has upended development progress and threatens people and the planet
- The World Bank Group must evolve - the WBG Governors have called for intensified action
- The urgency of action continues to escalate given the vast and increasing needs related to poverty reduction and shared prosperity, as well as to respond to accelerating global challenges such as climate change, pandemic risk, and fragility, conflict, and violence.





# Mobilization of Concessional Resources

---

- Focus on IDA20 implementation
- IDA continues to be main source of concessional financing for climate change.
- Limited concessional financing available for MICs.



# Private Capital Enabling & Facilitation

---

- Policy advice and lending that support economy-wide and sector-specific reforms
- Help build pipelines of investible projects
- Creating a market of investment grade securities that will provide institutional investors better access to EMDE infrastructure debt



# Scaling Up Climate Finance

---

## Integrating Climate and development

- Country Climate & Development Reports (CCDR)
- State & Trends Report and Carbon Pricing Hub; Climate Policies Assessment Tool
- Supporting countries on adaptation and resilience planning and capacity building
- Promoting inclusive development and climate policies

## Supporting low-carbon and resilient paths

- Results-based Climate Finance supports GHG emissions reduction from Forestry and Blue Carbon to Energy Access, Climate Smart Agriculture, Green Loans and Subsidy Reform.
- Monitoring reporting & verification processes (MRV)
- Long-term Low Emissions Development Strategies (LTSs)

## Innovating to mobilize private investment

- Access to carbon markets and private sector buyers
- End-to-end digital ecosystem and infrastructure for carbon markets
- Green bonds, instruments and business models for carbon finance

